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**AUDIT REPORT: IOWA DEPARTMENT OF CULTURAL AFFAIRS**

**Audit Report.** The Auditor of State released the FY 2016 Audit Report for the Department of Cultural Affairs (DCA) on September 7, 2017. The Auditor recommended that the DCA implement control procedures to ensure employees record actual hours worked on each separately funded program rather than a predetermined budget rate. The Auditor noted the same finding in the FY 2015 Audit Report.

**Findings-Payroll Distribution.** The DCA is allowed to charge personal services for planning purposes to the Rebuild Iowa Infrastructure Fund (RIIF) for the Museum Renovation Project (Project). The DCA did not have a mechanism to support actual time spent on the Project. The DCA budgeted salary expenses for the Project at a set percentage for FY 2016 at the beginning of the year before the services were performed. The use of a predetermined distribution percentage resulted in actual personal services of \$68,328 charged to the Project. While the DCA retained evidence that work was done on the Project, the supporting documentation does not contain an indication of the number of hours spent working on the Project. Multiple DCA employees worked on more than one project throughout the year and allocated time to the Project based on budgeted dollar amounts versus verified supporting documentation.

The Auditor recommended that the DCA ensure employees record actual hours worked on each separately funded project rather than a predetermined budgeted rate.

The DCA responded that the agency aligned salaries to the Project in a manner that was consistent with its usual salary distribution practices. The DCA uses the Department of Administrative Services (DAS) salary distribution process, which aligns salaries with responsibilities. This practice was used during the period of FY 2015 through February of FY 2016, at which time work on the Project was completed. The DCA acknowledges the finding and based upon this guidance, if the issue comes up again, the DCA will track salary costs on an hourly basis. The Auditor accepted the response.

**Additional Information.** The report is available online at: [https://auditor.iowa.gov/sites/default/files/audit\\_reports/1760-2590-0R00.pdf](https://auditor.iowa.gov/sites/default/files/audit_reports/1760-2590-0R00.pdf).

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